COST SEGMENT 3 COST POOLS AND OTHER RELATED INFORMATION (PUBLIC VERSION)

I. PREFACE

I-A. Purpose:

USPS-FY14-7 provides estimates of volume-variable costs by product and other related data for Cost Segment (CS) 3. These data serve as inputs to the Cost and Revenue Analysis (CRA) "B" Workpapers, the CRA model, various Special Cost Studies, and NSA cost models.

I-B. Predecessor Documents:

The most recent predecessor document was USPS-FY13-7 in Docket No. ACR2013.

I-C. Corresponding Non-Public or Public Document.

USPS-FY14-NP7 is the public version of USPS-FY14-NP18. USPS-FY14-7 reports costs for competitive domestic mail products in aggregate; these are reported as separate products in USPS-FY14-NP18.

USPS-FY13-7 SAS program code, SAS logs, and SAS output tables correspond to those submitted in the USPS-FY14-NP18 folder, but use the public version of the IOCS data file in USPS-FY13-37, while those for USPS-FY13-NP18 use the non-public version of the IOCS data file in USPS-FY13-NP21.

I-D. Methodology:

USPS-FY14-7 uses the same methodology as described in USPS-FY13-7, with no substantive changes to the MODS- and IOCS-based cost pools or cost distribution methods for FY2014.

The MODS cost pools SPBS OTH and SPBSPRIO, and the NDC cost pool SPB, have been retitled for FY14 as APBS OTH, APBSPRIO, and APBS, respectively. The name change reflects the completion of the conversion of SPBS equipment to APBS. These cost pools continue to encompass operations for several types of bundle and package sorting equipment, including APBS, APPS, and LIPS.

Costs for Customer Care Centers are reported separately from other MODS administrative costs for FY2014. The total of the Customer Care Center and other MODS administrative costs is comparable to the total MODS administrative cost in FY2013.

The PC-SAS code for FY2014 has been modified to improve the maintainability of the code and to streamline processing of the SAS outputs. As described in Section III, below, the modifications include replacing SAS modules with hard-coded inputs with Excel workbooks, and producing key outputs in Excel workbook form rather than text files. These modifications do not change cost methodologies.

I-E. Inputs/Outputs*:*

FY2014 information from the data systems identified in USPS-FY13-NP18—Pay Data system expenses by LDC, MODS workhours, and IOCS data—are inputs to USPS-FY14-NP18. The IOCS data set is provided in USPS-FY14-NP21. In addition to those data systems, USPS-FY14-NP18 uses webROADS Remote Encoding Center console hours in USPS-FY14-23, Express Mail volume from the FY14 RPW report, and the Inbound Express Mail volume from USPS-FY14-NP2 are inputs to this folder.

USPS-FY14-7 outputs are used in other public folders as follows:

USPS-FY14-2   FY2014 Public Cost Segments and Components Report
USPS-FY14-8   Equipment and Facility Related Costs
USPS-FY14-10   FY2014 Special Cost Studies Workpapers - Letter Cost
                          Models (First and Standard)
USPS-FY14-11   FY2014 Special Cost Studies Workpapers - Flat Cost
                          Models (First and Standard) & Periodicals Cost Model
USPS-FY14-12   Standard Mail Hybrid/Parcel Cost Study
USPS-FY14-13   FY2014 Special Cost Studies Workpapers - Drop Ship Cost
                          Avoidances for Periodicals and Standard Mail
USPS-FY14-15   FY2014 Special Cost Studies Workpapers – Bound
                          Printed Matter Mail Processing Cost Model / Media
                          Mail – Library Mail Processing Cost Model
USPS-FY14-21   FY2014 QBRM and BRM Costs
USPS-FY14-25   FY2014 Mail Processing Piggyback Factors
                          (Operation Specific)
USPS-FY14-26   FY2014 Mail Processing Costs by Shape (Public Portion)
USPS-FY14-28   FY2014 Special Cost Studies Workpapers – Special
                          Services (Public Portion)
USPS-FY14-31   FY2014 CRA Model (Model Files, Cost Matrices, and
                          Reports) (Public Version)
USPS-FY14-32   FY2014 CRA "B" Workpapers (Public Version)

Included at the end of this preface is Table 1, a summary table of CS 3 cost pool data displaying for each cost pool: total accrued costs, mail processing accrued and volume-variable costs, and volume-variable percent of mail processing costs. An Excel version of the table is included in the "USPS-FY14-7 part1.xlsx" file in the Excel Workbooks section of USPS-FY14-7.

II. ORGANIZATION

USPS-FY14-7 consists of:
- An "Excel Workbooks" section with eight Excel files;
- SAS program documentation comprising the SAS program code, rtf files for SAS logs, and SAS output tables provided as Excel and HTML files.

USPS-FY14-7 Excel Workbooks comprises eight parts, each contained in an Excel workbook. The eight Excel files are named USPS-FY14-7 Part I.xlsx through USPS-FY14-7 Part VIII.xlsx. The contents of each Excel file are indicated below under Section III.A, below. For each file, the included tables and their titles are listed in a Contents worksheet.

USPS-FY14-7 SAS processing is described below in Section III.B. *USPS-FY14-7 SAS Programs* contains the SAS programs. *USPS-FY14-7 SAS Logs* contains rtf files of the SAS logs for each program. *USPS-FY14-7 SAS Output Tables* contains HTML files and Microsoft Excel workbooks comprising the output generated from the SAS programs.

III. DOCUMENTATION

III.A. Table of Contents for USPS-FY14-7 Excel Workbook.

Part I: Development of Cost Pools for Cost Segment 3.
- Preface Table Links.
- Summary Tables of C/S 3 accrued costs by facility type.
- Tables of MODS Operation Hours by cost pool and by LDC for MODS 1&2 Facilities and for NDCs.
- Tables of percent of cost pool MODS hours by LDC for MODS 1&2 Facilities and for NDCs.
- Tables of nonMODS cost pools.

   Subclass Volume-Variable Costs and Variabilities, By Cost Pool (Cost Pools Include "Migrated" and "Fixed" Tallies by IOCS Activity Code).

Part II: List of MODS Operation Codes.

Part III: Subclass Volume-Variable Costs Disaggregated By Shape And By Cost Pool For First Class, Periodicals, Standard Mail and Package Services, Priority, Parcel Select, and Parcel Select Return Services. (Shapes identified are letter, flat, and ipp/parcel).

   Details by Metered mail for Letter-Shaped and Flat-Shaped First Class Single Piece, and by Permit Imprint for Ipp/Parcel-Shaped First Class Single Piece.

Part IV: Administrative and Window Service Input Costs to the CRA "B" Workpapers

Part V: Premium-adjusted Subclass Costs for C/S 3 Component 035, Distribution Keys for C/S 11, 15, 16, 18, and 20 Components (inputs to the CRA model)

Part VI: Equipment Volume-Variabilities for C/S 11, 16 (inputs to the CRA model)

Part VII: Premium Pay Adjustment Factors By Subclass, Overhead Factors By Cost Pool, Crosswalk of Selected CRA Equipment Categories to MODS Mail Processing Cost Pools (inputs to special cost studies)

Part VIII: Disaggregated Wage Rates (inputs to special cost studies)

III. B. SAS Program Documentation for USPS-FY14-7

The FY14 SAS programs employ similar structures, methods and procedures as in FY13 with a few exceptions. Several SAS modules that previously provided inputs into the main SAS programs have been replaced with Microsoft Excel workbooks containing the same information. The SAS modules were replaced to reduce the need to maintain a large number of hardcoded inputs, and in turn to reduce the likelihood of introducing typographical or subtle logic errors. Outputs from select SAS programs are also generated in Excel workbook form. This allows the output to more easily be incorporated into the main Excel workbooks listed in part III.A and CRA model workbooks. Both the input and output Excel workbooks are listed below in the listing of SAS programs (section 4). The SAS processing for USPS-FY14-7 was performed using PC SAS, specifically SAS for Windows version 9.4 (64-bit).

1. General Objective:

This set of SAS programs generates the Cost Segment 3 mail processing, administrative and window service input data into the CRA "B" Workpapers. Comments are included in the SAS programs to provide a description of the SAS codes.

The great majority of the SAS programs relate to the development of volume-variable mail processing costs by cost pool for the mail rate categories associated with three facility groups: NDCs, MODS 1&2 facilities, and NONMODS facilities (NONMODS consist of all other Post-Offices, Stations, and Branches that are not part of the MODS 1&2 group). The three facility groups are identified by finance numbers. The cost pools for the NDCs and MODS 1&2 facilities are identified by MODS operations while those for the NONMODS offices are identified by IOCS operations. Thus, the cost pool dollars for the

NDCS and MODS 1&2 cost pools and the total dollars for the NONMODS facilities are derived independently from IOCS.

Volume-variable costs by mail rate categories are obtained by applying mail distribution keys to volume-variable activities within a cost pool. The cost pool volume-variable and non-volume-variable activities as well as the migrated tallies are determined by IOCS (migrated tallies are activities assigned by IOCS to non-mail processing functions but they are included in the mail processing cost pool as a result of the use of MODS operation numbers reported in IOCS).

Distribution keys (i.e. percentages of dollar-weighted tallies by mail category) are based on mail class and subclass information collected through IOCS. Using IOCS data, the programs construct various distribution factors from direct dollar-weighted tallies ("direct" tallies are tallies for which a mail category has been identified by the data collector). These factors are then applied within a cost pool to distribute the dollar-weighted tallies associated with mixed mail or not-handling mail activities to mail rate categories. The combined direct and subclass distributed dollar-weighted tallies are then adjusted to the cost pool costs to provide the mail processing volume-variable costs for the mail rate categories.

2. General Programming Structure:

Step0 *Partition Tallies into Three Facility Groups Based on Tally Finance Numbers*

The SAS program selects all records from the IOCS Tally File which meet the following criteria:

Employee is a clerk or mailhandler
Employee is not at a CAG K office.

The IOCS tallies are divided into three facility groups, based on the tally finance numbers:

MODS 1&2
Non-MODS
NDCS

The programming processing tasks are organized and performed separately for each of the above three groups. Although there are variations of criteria and parameters in step execution and of input and output data among the three groups, the program core structures and algorithms are similar across the groups (accordingly the SAS program names have not been changed). All computations are based on dollar-weighted tallies.

The succession of processing steps that is common across the three groups is as follows:

Step1 *Assign Tallies to C/S 3 Functions and Mail Processing Cost Pools; Construct Subclass Distribution keys and Identify Groups of Tallies to which the Distribution Keys would apply.*

1.1 Classify clerk and mail handler tallies into mail processing, window service, claims and inquiries, and administrative groups.

1.2 Classify the mail processing tallies into cost pools. The MODS tallies are further disaggregated into ISC and non-ISC tallies. All the ISC mail processing operations are aggregated to form the international mail processing cost pool.

1.3 Identify, within each cost pool, the sets of tallies to be used for subclass distribution factors in Step 3 and the sets of tallies to which the distribution factors will apply in all subsequent processing steps. (The two sets are sometimes referred to as distribut*ing* and distribut*ed* sets). Note: migrated tallies, non-volume-variable tallies and Express mail out-of-office tallies are set aside at this stage)

1.4 Construct piece-shape, and item-type subclass distribution factors for Step2, based on the piece shapes and item types of direct tallies.

Step2 *Distribute mixed mail handling tallies to subclasses*

2.1 Apply subclass distribution factors from Step 2 to distribute dollar-weighted tallies of uncounted and empty single items, and of items and loose pieces in 'identified' containers.

2.2 Use distributed dollar-weighted tallies of 'identified' containers from Step 2.1 and dollar-weighted tallies of direct containers from Step 1.3 to construct subclass distribution factors by container type.

2.3 Apply subclass distribution factors to distribute dollar-weighted tallies of 'unidentified' and empty containers.

2.4 Use distributed dollar-weighted tallies of 'identified', 'unidentified' and empty containers to distribute dollar-weighted tallies of tall pallet boxes.

Step3 *Distribute not-handling tallies and special pool costs to subclasses*

3.1 Construct proxy subclass distribution keys for LDC 15, and broad based distribution keys for distributing not-handling tallies in specified cost pools.

3.2 Construct subclass distribution keys based on handling tallies for distributing 'not handling' dollar-weighted tallies within a cost pool.

3.3 Distribute LDC15 costs and not-handling tallies to mail rate categories.

3.3 Combine all direct and subclass-distributed dollar-weighted tallies.

Step4 *Special Adjustment to Allied Cost pools*

4.1 Adjust the non-special services subclass distribution keys for the 'allied' cost pools based on the PRC methodology, and apply the adjusted distribution keys to the mail processing volume-variable costs by cost pool.

4.2 Distribute the volume-variable portion of the out-of-office Express Mail costs to Express Mail rate categories.

4.3 Combine direct and subclass-distributed costs for non-allied cost pools obtained in Step 3 and for 'allied' cost pools obtained in Step 4.1 with the out-of-office Express mail costs from Step 4.2, and add back the costs for non-volume-variable and migrated tallies. The costs thus obtained are inputs into C/S 3 workpapers.

Cost pools for the MODS 1&2 facilities and the NDCS are based on the MODS operations reported in IOCS (*Q18A03*). Mail processing cost pools for the Non-MODs are based on responses to Question 18.

Distribut*ing* sets consist of records with a mail or special service activity code (i.e., 1000-4950, 53XX-54XX, and 0020-0900 *if the employee is handling mail*) and distribut*ed* sets consist of those without. Records in both sets can be associated with:

> pieces
> item types *(Q20=B, Q21B01=A-G, Q21B02=A-H)*
> container types   (*Q21C01*=A-I, *Q21C02*=A-B,E, Q20=F, *Q21B01*=H)

Note: The terms 'item' and 'container' are not used as such in the FY 05 redesigned IOCS questionnaire. However, the terms 'item' and 'container' are still applicable. 'Item' refers to the following categories: bundles (*Q10*=B); and non-wheeled container types, primarily trays and sacks, (Q21B01=A-D,F-G, Q21B02=A-H). 'Container' refers to the following categories: wheeled container types (Q21C01=A-I); pallets and short pallet boxes (Q21C02=E, Q21C02=A-B); and combinations of containers (Q20=F, Q21B01=H)**.** Tall pallet boxes are in a separate category of their own.

In Step 1, distribut*ing* items are those with identical mail, where the top piece rule applies or where the piece contents are counted. Distribut*ed* items are:

single items, uncounted or empty

items in 'identified' containers. 'Identified' containers are those with recorded percentages of container volume (cube) occupied by shapes of loose mail

and/or items (criteria: *Q21G01[A-U]* must not be all zero or blank, or contain any asterisks)*.*

Distributing pieces are pieces handled by the employee or pieces processed on piece sorting equipment. Distribut*ed* pieces are loose mail in 'identified' containers.

In Step 2.1, 'identified' container tallies are processed similarly to counted item tallies in the IOCS file. A separate record is created for each non-zero percentage recorded for an item type or shape of loose mail in the container. The dollar weight for this record is the pro-rated tally dollar weight, based on the ratio of the recorded percentage for an item type or loose mail shape to the totaled percentages. In this fashion, each record in the distribut*ed* groups is uniquely identified with an item type or piece shape to which a distribution factor can be applied.

In Step 2.2, distribut*ing* containers are containers with identical mail and 'identified' containers whose content costs are distributed in Step 2.1. Distribut*ed* containers are 'unidentified' containers, (they have insufficient content information) or empty containers.

3. General Methods and Procedures Employed:

The underlying algorithm to construct a distribution key and distribute costs is employed at several places in the above process. A key is generally derived within the bounds of a single cost pool, but for specified circumstances, it can be derived across several cost pools. It is, however, always applied within the bounds of a single cost pool. The algorithmic approach is to:

Create for each mail activity code in the distribution key a separate distribution factor record containing the values of a numerator (*key)* and a denominator (*keytot). key* is the summed tally dollar weights for a mail activity code. *keytot* is the summed tally dollar weights for all mail activity codes in the distribution key. This is accomplished through applications of SAS *proc means* and *SAS merge.*

Uniquely identify each of the distribution key records by numbering them from 1 to *N.* The record sequence number will be used as a *merge* control variable.

Create for each record in the distribut*ed* group as many duplicate records as there are separate mail activity codes in the distribution key. Uniquely identify each of the duplicate records by numbering them from 1 to *N.*

Through a *SAS merge* with the distribution key records, add a mail activity code and the corresponding *key* and *keytot* to each record in the distribut*ed* group.

Multiply the record tally dollar weight by the ratio of *key* to *keytot* to obtain the distributed record tally dollar weight for the mail activity code.

If in a cost pool there is no distribution key to apply to a record in the distribut*ed* set, a new distribution key aggregated across cost pools is constructed and applied to that record, using the above procedure. The aggregation across cost pools is performed within each of the three facility groups, e.g. MODS 1&2 (with the ISC cost pool being excluded from this process), NONMODS, and BMCs. For the ISC cost pool, the distributed mixed mail subclass costs are proportionately augmented within each pool by the undistributed amount in that pool.

Several sets of SAS program code are implemented as separate modules that can be inserted into any programs by using the SAS '% INCLUDE' Statement.

For example, the SAS program code used to implement Steps 1.3 and 1.4 is applicable to all three facility groups. They are therefore stored as a separate SAS program (MAPITEMC). The same SAS program code for MAPITEMC can be inserted into any of the programs by using the SAS '% INCLUDE.' I t is then executed as part of the linking program.

Examples of other similar types of SAS modules include: MAPCLASS, which maps the activity codes into the rate categories; MAPCLCRA14, which assigns the CRA subclass numbers to those in established in MAPCLASS; DIST5354, which redistributes the costs for 5340 and 54XX to the relevant rate categories; PRCACTV, which lists the activity codes considered to be non-volume-variable and the migrated tallies; SHAPES, which maps the activity codes into disaggregated rate categories by shape.

As stated above, some SAS modules used to provide inputs have been replaced by Microsoft Excel spreadsheets. Examples of these are as follows: For MODS, the Excel spreadsheet DOLWGT14.xls provides the cost pool $ and facility space component number associated with the cost pool (replacing the SAS module DOLWGT); For NDCs, the spreadsheet DolwgtBM14.xls provides the cost pool $, and the spreadsheet BMCspace.xls provides the facility space component (replacing DOLWGTBM); For non-MODS offices, the aggregate IOCS $, the aggregate accrued $, the overhead factors used to incorporate the 'on break' and 'clocking in/out' costs into each mail processing cost pool are all calculated within the NONMOD1 SAS program, eliminated the need for the DOLWGTNM SAS program. The space component associated with each pool is provided by the spreadsheet NMSpace.xls.

4. List of SAS Programs:

Listed below are SAS programs with their input data sets and output data sets. Output data sets are temporary partitioned data files (the member name is in parentheses). Output data sets from a SAS program are used as input data sets for subsequent SAS programs. The SAS programs are executed in the order they are listed for each office type. The SAS programs for mail processing can be associated with steps 0 through 4 in section 2 above as follows:

SAS PROGRAM	INPUTS	OUTPUTS
MBCLREF (Step 0)	ƒ The SAS version of the PC SAS IOCS Data File in USPS-FY14-37. ƒ Flat file of *F2* MODS 1&2 encrypted finance numbers in IOCS file (mods_fin14.prn)	*&&MODS.TALLIES* *&&NONMODS.TALLIES* *&&BMCS.TALLIES*

MODS 1&2 PROGRAMS	% INCLUDE PROGRAMS & WORKBOOKS	INPUTS	OUTPUTS
MOD1POOL (Steps 1.1, 1.2)	*MODS14ND.xls REMAP14 DOLWGT14.xls*	*&&MODS.TALLIES*	*&&MODS(MODS) &&MODS(EXPRSOUT) &&MODS(DOLWGT14)*
MOD1DIR (Steps 1.3, 1.4)	*MAPITEMC PRCACTV*	*&&MODS(MODS)*	*&&MODS (DIRECT) &&MODS (MODKEY) &&MODS (ITEMPC) &&MODS (CONTEMP) &&MODS (NOTHAND) &&MODS(LD15) &&MODS(PALLET2) &&MODS (EXEMPT) &&ADMWIN (MODS)*
MOD2ITEM (Steps 2.1)		*&&MODS (MODKEY) &&MODS (ITEMPC*	*&&MODS (ITEMFILL)*
MOD22ITM (Steps 2.1)		*&&MODS (MODKEY) &&MODS (ITEMPC)*	*&&MODS (ITEMFIL1)*
MOD23ITM (Steps 2.1)		*&&MODS (MODKEY) &&MODS (ITEMPC)*	*&&MODS (ITEMFIL2)*
MOD3CONT (Steps 2.2, 2.3)		*&&MODS (MODKEY) &&MODS (ITEMFILL) &&MODS (ITEMFIL1) &&MODS (ITEMFIL2) &&MODS (CONTEMP)*	*&&MODS (CONTFILL)*
MOD31CNT (Steps 2.4)		*&&MODS (PALLET2) &&MODS (ITEMFILL) &&MODS (ITEMFIL1) &&MODS (ITEMFIL2) &&MODS (CONTFILL*	*&&MODS (PALL2FIL)*
MOD4DIST (Step 4)	*DIST5354 MAPCLASS MAPCLCRA14*	*&&MODS (DIRECT) &&MODS (ITEMFILL) &&MODS (ITEMFIL1) &&MODS (ITEMFIL2) &&MODS (CONTFILL) &&MODS (PALL2FIL) &&MODS (NOTHAND) &&MODS (EXEMPT) &&MODS(DOLWGT14)*	*&&MPCOSTS (MODS) &&MPCOSTS (EXEMPT)*
M5ALLIED (Step 5)	*DIST5354 MAPCLASS MAPCLCRA*	*&&MPCOSTS (MODS) &&MPCOSTS (EXEMPT) &&MODS (MODKEY) &&MODS (ITEMPC) &&MODS (CONTEMP) &&MODS (NOTHAND) &&MODS(PALLET2) &&MODS(EXPRSOUT) &&MODS(DOLWGT14)*	*&&MPCOSTS(MODSPRC) Summary Data Inputs into C/S3 Workpapers and CRA MODTableII-1.xls*
MODSHAPE	*SHAPES MAPCLCRA14*	*&&MPCOSTS(MODSPRC)*	*Inputs into USPS-FY14-26 MODsShapes.xls*

NDCS PROGRAMS	% INCLUDE PROGRAMS & WORKBOOKS	INPUTS	OUTPUTS
BMC1 (Steps 1.1 thru 1.4)	*DolwgtBM14.xls* *BMCPools.xls* *MAPITEMC*	*&&BMCS.TALLIES*	*&&BMCS (BMC1POOL)* *&&BMCS (BMCKEY)* *&&BMCS(DIRECT)* *&&BMCS (ITEMPC)* *&&BMCS (CONTEMP)* *&&BMCS (PALLET2)* *&&BMCS(NOTHAND)* *&&BMCS(DOLWGTBM13)* *&&ADMWIN(EXEMPTBM)* *&&ADMWIN(BMCS)*
BMC2 (Steps 2.1)		*&&BMCS (BMCKEY)* *&&BMCS (ITEMPC)*	*&&BMCS (ITEMFILL)*
BMC3 (Steps 2.2, 2.3)		*&&BMCS (BMCKEY)* *&&BMCS (CONTEMP)* *&&BMCS (ITEMFILL)*	*&&BMCS (CONTFILL)*
BMC31CNT (Steps 2.4)		*&&BMCS (PALLET2)* *&&BMCS (ITEMFILL)* *&&BMCS (CONTFILL*	*&&BMCS (PALL2FIL)*
BMC4DIST (Step 4)	*DIST5354* *MAPCLASS*	*&&BMCS (DIRECT)* *&&BMCS (ITEMFILL)* *&&BMCS (CONTFILL)* *&&BMCS (PALL2FIL)* *&&BMCS (NOTHAND)* *&&BMCS(DOLWGTBM13)* *&&ADMWIN (EXEMPTBM)*	*&&MPCOSTS (BMCS)* *&&MPCOSTS (EXEMPTBM)*
B5ALLIED (Step 5)	*DIST5354* *MAPCLASS* *MAPCLCRA14*	*&&MPCOSTS (BMCS)* *&&MPCOSTS (EXEMPTBM)* *&&BMCS (BMCKEY)* *&&BMCS (ITEMPC)* *&&BMCS (CONTEMP)* *&&BMCS (NOTHAND)* *&&BMCS(PALLET2)* *&&BMCS(DOLWGTBM13)*	*&&MPCOSTS (BMCSPRC) Summary Data Inputs into C/S3 Workpapers BMCTableII-3.xls*
BMCSHAPE	*SHAPES* *MAPCLCRA14*	*&&MPCOSTS (BMCSPRC)*	*Inputs into USPS-FY14-26 BMCShapes.xls*

NONMODS PROGRAMS	% INCLUDE PROGRAMS & WORKBOOKS	INPUTS	OUTPUTS
NONMOD1 (Steps 1.1 thru 1.4)	*MAPITEMC*	*&&NONMODS.TALLIES*	*&&NONMODS (NMD1POOL)* *&&NONMODS (EXPRSOUT)* *&&NONMODS (PALLET2)* *&&NONMODS (NMODKEY)* *&&NONMODS (DIRECT)* *&&NONMODS (ITEMPC)* *&&NONMODS (CONTEMP)* *&&NONMODS (NOTHAND)* *&&NONMDOS(DOLWGTNM)* *&&ADMWIN(EXEMPTNM)* *&&ADMWIN(NMOD)* *NMODI-4.xls* *NMODI-4A.xls* *NMODI-4B.xls* *NMODI-4C.xls* *NMODI-4Da.xls*
NONMOD12 (Steps 2.1)		*&&NONMODS (NMODKEY)* *&&NONMODS (ITEMPC)*	*&&NONMODS (ITEMFILL)*
NONMOD22 (Steps 2.1)		*&&NONMODS (NMODKEY)* *&&NONMODS (ITEMPC)*	*&&NONMODS (ITEMFIL1)*
NONMOD3 (Steps 2.2, 2.3)		*&&NONMODS (NMODKEY)* *&&NONMODS (ITEMFILL)* *&&NONMODS (ITEMFIL1)* *&&NONMODS (CONTEMP)*	*&&NONMODS (CONTFILL)*
NONMOD31 (Steps 2.4)		*&&NONMODS (PALLET2)* *&&NONMODS (ITEMFILL)* *&&NONMODS (ITEMFIL1)* *&&NONMODS (CONTFILL)*	*&&NONMODS (PALL2FIL)*
NONMOD4 (Step 4)	*DIST5354* *MAPCLASS*	*&&NONMODS (DIRECT)* *&&NONMODS (ITEMFILL)* *&&NONMODS (ITEMFIL1)* *&&NONMODS (CONTFILL)* *&&NONMODS (PALL2FIL)* *&&NONMODS (NOTHAND)* *&&NONMDOS(DOLWGTNM)* *&&ADMWIN(EXEMPTNM)*	*&&MPCOSTS (NONMODS)* *&&MPCOSTS (NMEXEMPT)*
N5ALLIED (Step 5)	*DIST5354* *MAPCLASS* *MAPCLCRA*	*&&MPCOSTS (NONMODS)* *&&MPCOSTS (NMEXEMPT)* *&&NONMODS (NMODKEY)* *&&NONMODS (ITEMPC)* *&&NONMODS (CONTEMP)* *&&NONMODS (NOTHAND)* *&&NONMODS(PALLET2)* *&&NONMODS(EXPRSOUT)* *&&NONMDOS(DOLWGTNM)*	*&&MPCOSTS (NMODPRC) Summary Data Inputs into C/S3 Workpapers NMDTableII-2.xls*
NMDSHAPE	*SHAPES* *MAPCLCRA14*	*&&MPCOSTS (NMODPRC)*	*Inputs into USPS-FY14-26 NMDshape_TableIII-B.xls*

ADMINISTRATIVE/ WINDOW SERVICES PROGRAMS	% INCLUDE PROGRAMS & WORKBOOKS	INPUTS	OUTPUTS
ADMWIN WINACCP	*DIST5354 MAPCLASS MAPCLCRA14*	*&&ADMWIN(MOD) &&ADMWIN(NMOD) &&ADMWIN(BMC) &&MODS(DOLWGT14) &&BMCS(DOLWGTBM13) &&NONMDOS(DOLWGTNM) &&MODS(EXPRSOUT)*	*Inputs into C/S 3 Workpapers ADMWIN_TableIV-1a.xls ADMWIN_TableIV-1a_pt2.xls ADMWIN_TableIV-1B.xls ADMWIN_TableIV-1C.xls ADMWIN_TableIV-1D.xls ADMWIN_TableIV-1E.xls WINACCP_TableIV-2.xls WINACCP_TableIV-2_pt2.xls WINACCP_TableIV-2pt3.xls*

Table 1:   FY 14 Cost Segment 3 Clerk and Mailhandler Cost Pools

1. MAIL PROCESSING (LDC 11-15,17-18,41-44,48-49,79 MODS ops for MODS & NDCs, IOCS ops for nonMODS)

SAS name	Applicable LDC or IOCS	Cost Pool Title	Pool Total Costs (incl migrated & fixed) (a)	PRC Mail Proc Pool costs (excl 'migrated') (b)	PRC Mail Proc Vol.Var. Costs (excl 'fixed') (c)	PRC Mail Proc Pool Volume-Variable Factor (c) / (b)
1A. MAIL PROCESSING - MODS 1&2 GROUP						
		Automated Distribution				
D/BCS	11	BCS/DBCS	1,577,866	1,571,871	1,563,107	0.9944
		Mechanized Distribution, Letters & Flats				
AFSM100	12 & 17	AFSM100 (incl. LDC17 MODS op #140)	532,313	530,280	524,772	0.9896
FSM/1000	12	FSM 1000	6,606	6,427	6,365	0.9903
FSS	12 & 17	FSS (incl. LDC17 MODS op #530)	210,631	209,522	207,373	0.9897
		Mechanized Distribution, Other				
MECPARC	13	Mechanized Parcels	5,296	5,296	5,171	0.9764
APBS OTH	13	APBS - Non Priority	240,948	240,036	235,893	0.9827
APBSPRIO	13	APBS - Priority	363,184	361,964	353,862	0.9776
1SACKS_M	13	Mechanical Sort - Sack Outside	31,870	31,870	30,483	0.9565
1TRAYSRT	13	Mechanical Tray Sorter / Robotics	266,883	265,705	253,981	0.9559
		Manual Distribution				
MANF	14	Manual Flats	155,863	154,789	152,699	0.9865
MANL	14	Manual Letters	309,893	305,963	301,134	0.9842
MANP	14	Manual Parcels	35,273	35,189	34,061	0.9679
PRIORITY	14	Manual Priority	233,722	232,620	227,439	0.9777
LD15	15	**LDC 15**	58,643	58,643	52,354	0.8928
		Allied Operations				
1CANCEL	17	Cancellation	202,583	201,451	198,594	0.9858
1DSPATCH	17	Dispatch	136,734	135,723	133,901	0.9866
1FLATPRP	17	Flats Preparation (excl. LDC17 op#140 & #530)	60,853	60,748	60,398	0.9942
1MTRPREP	17	Mail Preparation - metered	12,694	12,577	12,122	0.9638
1OPBULK	17	Opening Unit - BBM	51,774	51,774	51,174	0.9884
1OPPREF	17	Opening Unit - Preferred Mail	191,363	190,651	185,923	0.9752
1OPTRANS	17	Opening - Manual transport	60,081	59,337	56,492	0.9520
1PLATFRM	17	Platform	1,097,315	1,089,727	1,012,373	0.9290
1POUCHNG	17	Pouching Operations	34,438	33,882	33,609	0.9920
1PRESORT	17	Presort	146,088	143,767	137,644	0.9574
1SACKS_H	17	Manual Sort - Sack Outside	43,826	43,613	41,672	0.9555
1SCAN	17	Air Contract DCS and Incoming/SWYB	75,331	74,651	72,917	0.9768
		Other Operations				
BUSREPLY	18	Business Reply / Postage Due	9,203	9,122	8,940	0.9801
EXPRESS	18	Express Mail	69,524	68,853	58,810	0.8541
			-	-	-	-
REGISTRY	18	Registry	71,462	71,302	40,017	0.5612
REWRAP	18	Damaged Parcel Rewrap	13,302	12,989	12,549	0.9661
1EEQMT	18	Empty Equipment	35,354	35,074	34,667	0.9884
1MISC	18	Miscellaneous	62,251	52,532	50,413	0.9597
1SUPPORT	18	Mail Processing Support	139,540	35,678	33,194	0.9304
INTL ISC	all MP LDCs	**ISCs** (International Service Centers)	234,781	228,936	220,585	0.9635
LD41	41	LDC 41 - Unit Distribution - Automated/Mechan	200	195	195	1.0000
LD42	42	LDC 42 - Business Return Services	42,963	40,691	39,066	0.9600
LD43	43	LDC 43 - Unit Distribution - Manual	538,158	526,584	514,329	0.9767
LD44	44	LDC 44 - Post-Office Box Distribution	94,192	85,185	83,773	0.9834
LD48 EXP	48	LDC 48 - Customer Service / Express [1/]	11,458	11,458	6,675	0.5826
LD48 OTH	48	LDC 48 - Customer Service / Other [1/]	213,179	164,437	144,948	0.8815
LD48_ADM	48	LDC 48 - Customer Service / Admin [1/]	129,350	74,246	65,017	0.8757
LD48_SSV	48	LDC 48 - Customer Service / Spec.Servc. [1/]	46,831	43,397	28,343	0.6531
		Total LDC 48	400,818			
LD49	49	LDC 49 - Computerized Forwarding Syst.	92,819	92,101	91,864	0.9974
LD79	79	LDC 79 - Mailing Req' & Bus. Mail Entry	189,595	177,916	78,628	0.4419
		MAIL PROCESSING TOTAL FOR MODS 1&2 Offices	**8,136,235**	**7,838,777**	**7,457,528**	**0.9514**

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Table 1:   FY 14 Cost Segment 3 Clerk and Mailhandler Cost Pools

SAS name	Applicable LDC or IOCS	Cost Pool Title	Pool Total Costs (incl migrated & fixed) (a)	PRC Mail Proc Pool costs (excl 'migrated') (b)	PRC Mail Proc Vol.Var. Costs (excl 'fixed') (c)	PRC Mail Proc Pool Volume-Variable Factor c / d
1B. MAIL PROCESSING - NDCs GROUP						
FSS	12 & 17	FSS (incl. LDC17 MODS op #530)	21,120	21,008	20,912	0.9954
MANP	14	NDC Manual Parcel Sorting (incl manual NMO)	20,382	20,382	18,997	0.9321
NMO	13	Non-Machinable Outside sorter (NMO)	1,683	1,683	1,545	0.9182
OTHR	other MP LDCs	Allied Labor & all other Mail Processing	130,514	108,879	103,579	0.9513
PLA	17	Platform	352,465	350,880	309,299	0.8815
PSM	13	Parcel Sorting Machine	158,852	157,112	154,104	0.9809
APBS	13	APBS (incl SPBS)	73,117	72,492	68,091	0.9393
SSM	13	Sack Sorting Machine	20,639	20,639	19,035	0.9223
TRAYSORT	13	Tray Sorter & Robotics	50,286	50,184	46,625	0.9291
		MAIL PROCESSING TOTAL FOR NDCs	**829,058**	**803,259**	**742,188**	**0.9240**
1C. MAIL PROCESSING - NON-MODS GROUP						
ALLIED	IOCs	Allied	348,967	348,967	334,150	0.9575
AUTO/MEC	IOCs	Automated/Mechanized	4,488	4,488	4,488	1.0000
BULKACCP	IOCs	Bulk Mail Acceptance	88,898	88,898	25,212	0.2836
BUSREPLY	IOCs	Business Return Services	41,902	41,902	41,790	0.9973
CFS	IOCs	Computerized Forwarding System	4,745	4,745	4,745	1.0000
D.PO BOX	IOCs	Distribution to P.O. Box	148,785	148,785	147,298	0.9900
EXPRESS	IOCs	Express Mail	24,872	24,872	17,289	0.6951
MANF	IOCs	Manual Flat	211,318	211,318	209,900	0.9933
MANL	IOCs	Manual Letter	253,096	253,097	250,761	0.9908
MANP	IOCs	Manual Parcel	437,290	437,290	431,378	0.9865
MISC	IOCs	Miscellaneous	204,420	204,420	202,002	0.9882
OTH ACCT	IOCs	Other Accountable	131,289	131,289	52,461	0.3996
REGISTRY	IOCs	Registry	16,429	16,429	6,486	0.3948
		MAIL PROC.TOTAL FOR NONMODS	**1,916,499**	**1,916,499**	**1,727,961**	**0.9016**
		TOTAL MAIL PROCESSING FOR COST SEGMENT 3	*10,881,793*	*10,558,536*	*9,927,678*	*0.9403*

2. ADMINISTRATIVE/WINDOW SERVICES - inputs to B Workpapers

2A.	ADMINISTRATIVE/WINDOW SERVICES -MODS		**1,023,491**
	non-MP LDCs	Administrative Services - ISCs	4,906
	45	Window Services	625,253
	75	Claims & Inquiries	8,741
	othr non-MP LDCs	Administrative Services	299,671
	othr non-MP LDCs	Customer Call Centers	84,921
		Subtotal	1,023,491
2B.	ADMINISTRATIVE/WINDOW SERVICES -NDCS		**13,297**
	75	Claims & Inquiries	1,669
	othr non-MP LDCs	Administrative Services	11,629
		Subtotal	13,297
2C.	ADMINISTRATIVE/WINDOW SERVICES - nonMODS		**1,737,348**
	IOCS	Administrative Services [2]	234,978
	IOCS	Claims & Inquiries	3,100
	IOCS	Window Services	1,499,270
		Subtotal	1,737,348
TOTAL COST SEGMENT 3			**13,655,929**
		Total MODS 1&2 Offices (incl ISCs)	**9,159,726**
		Total NDCs	**842,356**
		Total NonMODS Offices	**3,653,847**

Footnotes

[1] *The total LDC 48 cost is allocated to the four LDC 48 cost pools in proportion to IOCS tallies reporting LDC 48 MODS ooperations .*

[2] *All the non-mail processing clocking in/out costs are included in this category before being allocated to the non-mail processing functions.*

Note   For input data in col (a), see Tables I-1, I-2, I-3, I-4 in Part I
*   For input data in cols. (b) & (c), see Tables 2-1, 2-2, 2-3 in Part II; the computations of c/d also shown in those tables*